

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Commercial Licensing
233 Richmond Street
Providence, RI 02903

Commercial Licensing Regulation 4 - Motor Vehicle Body Repair

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Section 1 ***Authority***

This Regulation (the "Regulation") is promulgated pursuant to the authority granted in R.I. Gen. Laws § 5-38-1 *et seq.*

Section 2 ***Purpose***

The purpose of this Regulation is to establish standards and procedures for the issuance of Motor Vehicle Body Licenses for Motor Vehicle Body Work and to generally assist the Department in carrying out the administration and enforcement of the terms and provisions of the Act so that the public interest may be effectively served.

Section 3 ***Definitions***

When used in this Regulation, the following words, except as otherwise required by the context, shall have the following meaning:

- (a) "Act" means R.I. Gen. Laws § 5-38-1 *et seq.*, as amended.
- (b) "Agent" means an individual or group of individuals authorized by another to act on his, her or its behalf.
- (c) "Applicant" means a Person filing an application for a Motor Vehicle Body License.

- (d) "Department" means the Department of Business Regulation.
- (e) "Director" means the Director of the Department.
- (f) "Licensee" means a Person holding a Motor Vehicle Body License.
- (g) "Motor Vehicle" means any automobile, truck or other self-propelled vehicle of any type.
- (h) "Motor Vehicle Body" means that portion of the Motor Vehicle mounted on the chassis or frame or unibody, including fenders, bumpers, windshields, glass and similar components of motor vehicle bodies as distinguished from the chassis, seats, motor, transmission, air conditioning condenser, radiator and other accessories for propulsion and general running gear of motor vehicles.
- (i) "Motor Vehicle Body License" means ~~that~~ **any type of** License from the Department issued to a Person engaged in the business of Motor Vehicle Body Work.
- (j) "Motor Vehicle Body Work" means the act or acts of preparing, fixing, restoring, painting or putting together a Motor Vehicle Body, including repairing, replacing or installing of glass thereon, or the subcontracting of said work.
- (k) "Person" means any individual, partnership, corporation, limited liability company, sole proprietorship, or any other legal entity, however formed.

Section 4 Licenses

(a) License Required. No Person may engage in the business of Motor Vehicle Body Work without first obtaining a Motor Vehicle Body License from the Department. The term of each Motor Vehicle Body License shall be for not more than three (3) years before a renewal application is required.

(b) **Types of Motor Vehicle Body Licenses:**

The Department will issue four (4) types of Motor Vehicle Body License

1) Full Collision Repair License- This License permits a Licensee to perform all types of Motor Vehicle Body Work. In addition to completing the application process set forth in subsection (c) below, all applicants for a Full Collision Repair License must submit proof of the following requirements:

- (A) **Electrical and/or hydraulic pulling equipment;**
- (B) **Current dimensional guides;**
- (C) **Four (4) point clamping system to secure vehicle;**

- (D) Equipment/gauges capable of measuring symmetrical and asymmetrical vehicles;
- (E) Welding equipment to meet manufacturers' requirements;
- (F) A paint system or access to a paint system capable of producing original manufacturers' requirements; and
- (G) Parking in compliance with local laws and regulations. to perform the repair work

(2) Limited Heavy Truck and Equipment License- This License permits the refinishing and body repair of trucks over the GVW (gross vehicle weight) of 24,000 pounds, cranes, trailers or other equipment. In addition to completing the application process set forth in subsection (c) below, applicants must submit proof of the following requirements:

- (A) Parking in compliance with local laws and regulations to perform the repair work; and
- (B) Welding equipment to meet manufacturers requirements.

(3) Limited Paint, Restoration and Customization License- This License permits restoration or customization of automobiles but not collision damaged vehicles. In addition to completing the application process set forth in subsection (c) below, the applicant must submit proof of the following requirements:

- (A) Parking in compliance with local laws and regulations to perform the repair work; and
- (B) Welding equipment to meet manufacturers requirements.

(4) Special Use License- This License permits limited, specially identified activities within the definition of Motor Vehicle Body Work as previously approved by the Department. In addition to completing the application process requirement set forth in subsection 3(c) below, the Department will inform the applicant of other requirements necessary to obtain a Special Use License.

(5)

~~(b) (c)~~ Application. Every Applicant for a Motor Vehicle Body License or renewal of an existing Motor Vehicle Body License must submit to the Department the following:

- (1) the completed application form adopted by the Department;
- (2) the License fee of one hundred dollars (\$ 100.00) for each year the Motor Vehicle Body License is to be issued;
- (3) a certificate of financial responsibility;
- (4) evidence of compliance with state and local zoning, fire, health and safety laws and regulations;

- (5) a designation of the person and address where the Department may send notices; and
(6) an EPA number.

(c) Minimum Value. Every Licensee must maintain a service repair shop and/or vehicles and related tools and equipment collectively having a minimum value of \$10,000 at the time of the issuance and/or renewal of the Motor Vehicle Body License as appraised and valued by the Department or its duly authorized representative. The Department, at its discretion, may rely on the representations of Applicant with regard to said value **or waive or amend this requirement for good cause.**

(d) Evidence of Financial Responsibility. Each Applicant shall furnish to the Director and maintain during the terms of the Motor Vehicle Body License a certificate of insurance issued by an insurance company authorized to transact business in this state showing that the Applicant has a policy insuring him, her or it against liability for injury to persons and damage to property which may be caused by the operation of the business. Such policy shall provide for indemnity in the sum of not less than **three hundred thousand (\$300,000)** ~~twenty-five thousand dollars (\$25,000.00) in per personthe case of one (1) person injured~~ and not less than **nine hundred thousand (\$900,000)** ~~fifty thousand dollars (\$50,000) in the aggregateease of injury of two (2) or more persons~~ in any one (1) accident, and indemnity of not less than **three hundred thousand (\$300,000)** ~~twenty-five thousand dollars (\$25,000)~~ for damage to property **liability in the amount of not less than one hundred thousand (\$100,000) in the case of damage to customer property.**

Such insurance shall be non-cancelable by either party to the contract, except with five (5) days prior written notice to the Department furnished by the Licensee. Licensee shall also request the insurance company that issued the policy to send written notice to the Department at least five (5) days prior to any cancellation of the contract. Cancellation shall be effective not sooner than five (5) days after receipt of said notice by the Department from the Licensee or insurance company, whichever is earlier.

(e) Space Requirements. Except as otherwise provided below, Licensees must conduct the Motor Vehicle Body Work at a fixed location with at least ~~2400~~ **4000** square feet of heated ground level floor space, with a specific location and common boundaries where Motor Vehicles may be serviced. Basements, second floors and any upper or lower may not be considered in computing the required minimum amount of floor space.

The provisions of this subsection (e) do not apply to any motor vehicle body shop in existence and having a valid License as of the date of this regulation or any transfer thereof.

Upon written request, the Department may waive the minimum space requirements in part or in whole upon a written finding by the Department that there will be minimal or no adverse effect to the public.

~~The space requirements shall not be applicable to any Applicant for a renewal of a Motor~~

~~Vehicle Body License, provided that such Applicant seeks to renew a 1977 Motor Vehicle Body License which has been continuously renewed for operations at the same location since 1977.~~

(f) Denial, Suspension, Revocation. The Department may deny an application for a Motor Vehicle Body License or revoke or suspend a Motor Vehicle Body License if it determines that an employee or manager or owner of an Applicant or Licensee has engaged in any the following activities so that the Applicant or Licensee is unfit to do business and/or it impacts the Applicant's or Licensee's financial responsibility and/or it impacts the Applicant's or Licensee's business integrity:

- (1) said individual has been convicted of any criminal felony involving dishonesty, breach of trust, forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud, fraud, false dealing or any similar offense(s) or has had a Motor Vehicle Body License revoked or suspended or an application for a Motor Vehicle Body License denied or any other License issued by this State revoked or suspended or an application for such denied.
- (2) **said individual has performed work outside the scope of their License classification.**

Section 5 Reinspection

The provisions of R.I. Gen. Laws § 27-10.1-9 are applicable to Licensees. Therefore, upon written or verbal request by an insurance company to reinspect a Motor Vehicle, the Licensee shall allow representatives of the insurance company to reinspect the Motor Vehicle after the Motor Vehicle Body Work has been completed.

After receipt of a request from an insurance company to reinspect a Motor Vehicle, the Licensee shall inform the insurance company representative who requested reinspection when the Motor Vehicle Body Work has been completed and shall make the Motor Vehicle available for reinspection no later than the following business day unless the insurance company representative agrees to another time. Licensees may charge up to thirty-seven dollars (\$37.00) per hour for the use of testing equipment, if such testing equipment is necessary to perform the reinspection.

Section 6 Work Completion Certification Form

Every Licensee, Claimant, and insurance company shall complete and execute the applicable section of the form entitled "Certification of Automobile Repairs" which is attached hereto as Appendix A. After completing and executing Part I of said form, the Insurer shall forward the Certification of Automobile Repairs form to the Claimant who shall complete and execute Part 3 thereof and return it to the Insurer. The Insurer shall then forward said forms to the Licensee who shall complete and execute Part 2 of said form and then return it to the Insurer.

Section 7 Miscellaneous

(a) Change of Address. Written notice shall be given to the Department by each Licensee within five (5) days of any change in mailing or business address, or any other change in any information reported on the most recent application

(b) License. A Motor Vehicle Body License shall be granted only to the Applicant. The Motor Vehicle Body License is not subject to transfer, assignment or leasing to another Person without prior application to, and approval from the Department.

(c) Licensee Ceases Operations. When a Licensee ceases operating the business of Motor Vehicle Body Work, the Licensee must return the original Motor Vehicle Body License to the Department within fifteen (15) days thereof.

(d) After Market Parts. The provisions of R.I. Gen. Laws § 27-10.2-1 *et seq.* are applicable to Licensees. Therefore, Licensees shall not use after market parts in Motor Vehicle Body Work on any Motor Vehicle less than thirty (30) months beyond the date of manufacture without the written consent of the Person who owns the Motor Vehicle as required by this statute.

(e) Insurance Inspections and Appraisals. Licensees shall permit insurance company representatives to inspect Motor Vehicles at any time for the purpose of taking photographs and for checking vehicle identification numbers. In addition, Licensees shall permit insurance company representatives, with or without an appointment, to make an appraisal inspection of a Motor Vehicle as soon as practically possible but, in any event, not later than three (3) days following the insurance company representative's written or oral request to inspect.

Section 8 Records of Transactions to be Maintained

(a) Licensees must maintain at a minimum the following information in the files for each motor vehicle repaired for a two (2) year period:

1. Customer's name;
2. Customer's address;
3. Vehicle make, model and year;
4. Vehicle VIN (Vehicle Identification Number);
5. Written authorization from the customer to repair the vehicle;
6. All invoices and receipts in connection with the repairs made; and
7. the final repair bill which contains itemized listings of manufactured parts, used parts and generic parts used in the repair.

(b) All Files kept in accordance with this regulation must be maintained at the address at which the premises is Licensed and available for inspection during regular business hours.

Section 9 Complaints/Hearing

(a) Complaints. All complaints against Licensees or other Persons for violations of this Regulation or the Act shall be investigated by the Department. In furtherance thereof, the Department shall notify the Licensee or Person in writing of the Department's receipt of the

complaint, enclosing a copy thereof. The Licensee or Person shall within ten (10) days from the date of the Department's letter to the Licensee file with the Department a written answer to the complaint. The Department shall review the answer and submit a copy thereof to the complainant for further response, if necessary. Upon receipt of the response, the Department will then evaluate the complaint and response thereto and the matter will be handled in compliance with the Department's applicable procedures and regulations for such matters. The Department may, upon its own motion, with or without a complaint, notice a hearing for the purposes of further investigating whether to sanction a Licensee or other Person.

(b) Hearings. The notice for and conduct of any hearings held pursuant to this Regulation or the Act shall be governed by the applicable provisions of the Act, the Department's rules and regulations for the conduct of such hearings and the provisions of the Rhode Island Administrative Procedures Act.

Section 10 Penalties for Violations

Any Licensee or other Person who fails to comply with the provisions of this Regulation or the provisions of the Act may be subject to any of the penalties, administrative, civil and criminal, as outlined in the Act.

Section 11 Severability

If this Regulation or the application thereof to any Person or circumstance is held to be invalid, such invalidity shall not effect other provisions or application of this Regulation which can be given effect without the invalid provision or application, and to this end the provisions are declared to be severable.

Section 12 Effective Date

This Regulation shall become effective on twenty (20) days from the date of filing.

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|-----------------|----------------------|
| EFFECTIVE DATE: | April 8, 1999 |
| REFILED: | December 19, 2001 |
| AMENDED: | December 16, 2002 |
| <u>AMENDED:</u> | <u>August , 2004</u> |

Appendix A

CERTIFICATION OF AUTOMOBILE REPAIRS

R.I. Gen. Laws § 5-38-1 *et seq.* requires that the following certification be completed and signed. The law requires submission of the repair invoice whenever repairs are made, and although the law does not mandate how or if the automobile is repaired, it does mandate the completion of this form and its return to the insurer. The return of this form is not a condition of payment, and payment shall not be withheld for failure to complete this form. A return envelope has been furnished for your convenience.

Section 1

TO BE COMPLETED BY THE INSURER

Claimant Name: _____ Claim Number: _____
Address: _____ Policy Number: _____
Date of Accident: _____
Name of Insurer: _____
Address: _____

I, _____, representing _____, [insert name of insurance company] have verified the automobile body shop listed below has a valid automobile body shop License in accordance with existing laws.

Date: _____

Signature of insurance company representative: _____

Section 2

TO BE COMPLETED BY THE AUTOMOBILE BODY SHOP

I, _____, a representative of _____ automobile body shop, located at _____, holding auto body License number _____ do certify, under penalties of perjury that I have made the repairs listed on the attached repair bill to the automobile owned by _____.

Date: _____

Section 3

TO BE COMPLETED BY THE CLAIMANT

I, _____, certify, under penalties of perjury, that: CHECK (a) OR (b) OR (c). YOU MUST ALSO CHECK (d) IF DIRECT PAYMENT TO THE REPAIRER IS DESIRED.

- (a) _____ I have not had any repairs made to my automobile as a result of the accident on _____; OR
- (b) _____ All the repairs allowed by the insurer have been repaired by the automobile body shop, and I have paid \$ ____ (may be \$0.) to the automobile body shop, which amount is the deductible amount applicable to this accident; OR
- (c) _____ My automobile has been repaired according to the attached repair bill and I have paid \$ ____ (may be \$0.) to my automobile body shop.
- (d) _____ I hereby authorize payment of \$ _____ directly to the auto body shop identified in Part 2.

IMPORTANT NOTICE TO CLAIMANT

IF YOU ARE A FIRST PARTY INSURED AND IF YOU DO NOT REPAIR ALL OR PART OF THE DAMAGES ALLOWED BY THE INSURER, AND YOU HAVE A SUBSEQUENT LOSS, THE INSURER MAY, TO THE EXTENT RELEVANT, DEDUCT FOR SUCH ITEM (S) AS PREVIOUS DAMAGE IN SETTLING THE SUBSEQUENT LOSS. THEREFORE, IF AFTER SIGNING THIS CERTIFICATION, YOU REPAIR THE DAMAGE, YOU SHOULD NOTIFY THE INSURER IMMEDIATELY. THE INSURER MAY AT THAT TIME ELECT TO INSPECT YOUR AUTOMOBILE. WHETHER YOU ARE A FIRST PARTY INSURED OR NOT NO INSURER OR ITS REPRESENTATIVE MAY MAKE PAYMENT ON A CLAIM TO A CLAIMANT OR AUTOMOBILE BODY SHOP IF REPAIRS ARE MADE AT A FACILITY NOT LICENSED IN ACCORDANCE WITH R.I. GEN. LAWS § 5-38-1 *et seq*

Date: _____ Signature of Claimant _____

NOTICE: CLAIMANT MUST COMPLETE FORM AND RETURN TO INSURER AS LISTED IN SECTION 1.

UPON RECEIPT, THE INSURER SHALL THEN FORWARD SAID FORM TO THE AUTOMOBILE BODY SHOP TO COMPLETE SECTION 2.

SAID SHOP SHALL THEN COMPLETE AND RETURN SAID FORM TO INSURER.